

BEFORE THE DIVISION OF INSURANCE

STATE OF COLORADO

Order No. O-13-120

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**FINAL AGENCY ORDER**

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IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF STATE  
FARM FIRE AND CASUALTY COMPANY,

Respondent

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THIS MATTER comes before the Colorado Commissioner of Insurance ("Commissioner") as a result of a market conduct examination ("MCE") conducted by the Colorado Division of Insurance ("Division") of State Farm Fire and Casualty Company ("Respondent"), pursuant to §§ 10-1-203, 10-1-204, 10-1-205, and 10-3-1106, C.R.S.

The Commissioner has fully considered and reviewed the Verified MCE Report ("Report") dated May 6, 2013, the written submissions and rebuttals provided June 10, 2013, by Respondent in response to the Report, and the recommendations of staff.

The Report covers the examination period of January 1, 2012 through December 31, 2012.

The Commissioner makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. At all relevant times during the examination, the Respondent was licensed by the Division to conduct business as a property and casualty insurer in the State of Colorado.
2. In accordance with §§ 10-1-201, 10-1-203, 10-1-204, 10-1-205, and 10-3-1106, C.R.S., the Division completed an MCE of the Respondent. The period of examination was January 1, 2012, through December 31, 2012.
3. In conducting the MCE, the examiners observed those guidelines and procedures set forth in the 2012 Market Regulation Handbook adopted by the National Association of Insurance Commissioners.

4. The MCE was completed on April 24, 2013. Pursuant to § 10-1-205(2), C.R.S., the market conduct examiners prepared the Report, which the Examiner-in-Charge timely filed with the Division, under oath, on May 6, 2013. The Report was subsequently timely transmitted to Respondent on May 6, 2013.
5. On May 6, 2013, the Division provided the Respondent with written notification that it was afforded a right to file, within thirty (30) days, written submissions or rebuttals with respect to any matter contained in the Report.
6. Pursuant to § 10-1-205(1), C.R.S., the Report is comprised of only the facts appearing upon the books, records, or other documents of the Respondent, its agents or other persons who were examined concerning Respondent's affairs. The Report contains the conclusions that the examiners find reasonably warranted based upon the facts.
7. On June 10, 2013, the Respondent filed a written submission to the Report as provided for at § 10-1-205(2), C.R.S.
8. The Commissioner has fully reviewed and considered the Report, Respondent's June 10, 2013, submission in response to the Report, and the recommendations of staff.

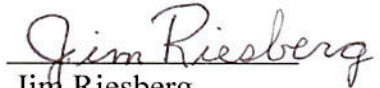
#### **CONCLUSIONS OF LAW AND ORDER**

9. Pursuant to § 10-1-205(3)(a), C.R.S., the Commissioner adopts the Report as filed.
10. The facts as ascertained by the examiners in the Report indicate that there were no violations of Colorado law that met the reporting requirements concerning the areas of compliance examined. Accordingly, the Commissioner is ordering neither corrective actions nor a monetary penalty against Respondent.
11. Pursuant to § 10-1-205(4)(a), C.R.S., within sixty (60) days of the date of this Final Agency Order, the Respondent shall file affidavits executed by each of its directors stating under oath that they have received a copy of the Report as adopted by this Final Agency Order, dated June 17, 2013.
12. This Final Agency Order shall not prevent the Division from commencing future agency action relating to conduct of the Respondent not specifically addressed in the Report, not resolved according to the terms and conditions in this Final Agency Order, or occurring before or after the examination period.
13. Copies of the Report and this Final Agency Order will be made available to the public no earlier than thirty-five (35) days after the date of this Final Agency

Order, subject to the requirements of § 10-1-205, C.R.S.

14. Pursuant to 10-1-205(4)(a), C.R.S., this Final Agency Order shall be considered a final agency decision. Review of such decision may be sought in the District Court in and for the City and County of Denver and shall be governed by the "State Administrative Procedures Act," Article 4 of Title 24, C.R.S.

**WHEREFORE:** It is hereby ordered that the findings of fact and conclusions of law contained in the Report dated May 6, 2013, subsequently adopted by the Commissioner on June 17, 2013, are hereby filed and made an official record of this office, and the Final Agency Order incorporating the Report is hereby approved and effective this 17<sup>th</sup> day of June, 2013.

  
Jim Riesberg  
Commissioner of Insurance

**CERTIFICATE OF MAILING**

I hereby certify that on the 17<sup>th</sup> day of June, 2013, I caused to be deposited the **FINAL AGENCY ORDER NO. O-13-120 IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF STATE FARM FIRE AND CASUALTY COMPANY**, in the United States Mail via certified mailing with postage affixed and addressed to:

Mr. Edward B. Rust, Jr., President  
State Farm Fire and Casualty Company  
One State Farm Plaza  
Bloomington, IL 61710



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Eleanor Coe  
Market Regulation Administrator  
Division of Insurance